

# Risk Management in the Banking Sector

March 29-30, 2012, Stockholm

March 29, 2012

08.30 **Light breakfast**

09.00 **Welcome and introduction**

09.15 **1. Bank Risk Management - after subprime and before the new regulation**

- What is the primary objective in Risk Management?
- Defining financial risk
- Sources of risk in a Bank
- What to learn from the subprime crisis?
- The new regulation (BIS III and new CRDs)

10.30 **2. Measuring Market Risk**

- Key Risk measures for interest rate products
- Duration measures and Delta Vector Analysis
- Key Risk measures for stocks (Beta Values)
- Risk measure for FX Positions
- Risk measures for derivatives
- Volatility Estimation

12.00 **Lunch**

13.00 **3. Portfolio Risk Measures**

- Value at Risk (VaR)
- Choice of Horizon and Confidence Level
- Single Position VaR and Portfolio VaR
- Variance/Covariance method
- Historical Simulation
- VaR for Options Scenario Analysis
- Stress Testing
- Back-testing
- BIS and Market Risk

16.30 **End of day**

March 30, 2012

08.30 **Light breakfast**

09.00 **Recap**

09.30 **4. Measuring and Managing Credit Risk**

- Credit Risk Measurement
- Credit Lines and Limits
- Credit Risk Management on Derivatives
- The use of Credit Derivatives
- CDS, TRORS and Credit Linked Notes
- BIS II and III and Credit Risk

12.00 **Lunch**

13.00 **5. Liquidity Risk Management**

- BIS recommendations
- Current Examples
- GAP Analysis
- Stress Test and Contingency Funding Plan

14.00 **6. Operational Risk Management**

- BIS II recommendations
- Basic measurement of Operational Risk
- Advanced measurement methods
- Operational Risk Self Assessment

15.00 **7. Economic Capital and RAROC**

- Economic Capital and Regulatory Capital
- Defining RAROC
- Using RAROC

16.00 **End of course and evaluation**

## Price

The price for the course is SEK 13.500. The price includes course material, lunch and refreshments

## Speakers

Carsten Mygind Feldt, Financial Training Partner A/S  
Jørgen Just Andresen, Financial Training Partner A/S